

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 825 - HB 937

March 16, 2015

SUMMARY OF BILL: Requires departments and agencies to develop an annual report detailing all federal funds received by, or passed through, the department or agency and submit the annual report to each member of the General Assembly by January 1 of each year. Requires reports to include an inventory of federal funding, government mandates, description of the manner of how the funds are used, the percentage the department or agency's total annual budget that uses federal funds, and requires departments and agencies to submit two proposed budgets that assume a five percent and 25 percent reduction of federal funding.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$43,800

Increase Federal Expenditures – Exceeds \$20,800

Assumptions:

- Based on information received from the majority of state departments and agencies, the provisions of the bill will significantly increase the workloads of their budgetary staff, especially to provide two additional budgets each year in the timeframe required. Most departments stated that the increased workloads could be accommodated within existing budgetary and staffing resources without an increased appropriation or reduced reversion.
- Based on information provided by the Department of Children's Services (DCS), the increased workload to meet the requirement to produce two additional budgets annually will equal that of a full-time employee and the department will need to hire a position.
- The position will result in increased expenditures of \$64,600 which includes salary (\$36,500), benefits (\$13,100), and miscellaneous costs (\$15,000).
- These recurring expenditures will be funded through a combination of DCS state funds (52%), TennCare funds (45%), and Title IV-E federal funds (3%).
- The total \$64,600 will be comprised of \$43,756 state and \$20,844 federal as follows:
 - \$33,592 in DCS state funds ($\$64,600 \times 0.52$)
 - \$10,164 in TennCare state funds [$(\$64,600 \times 0.45) \times 0.34965$]
 - \$18,906 in TennCare federal funds [$(\$64,600 \times 0.45) \times 0.65035$]
 - \$1,938 in Title IV-E federal funds ($\$64,600 \times 0.03$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly legible.

Jeffrey L. Spalding, Executive Director

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